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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN MCDONOUGH and STEVE ELTERICH
Applicant: FMR LLC

Appeal 2015–007068
Application 14/155,115
Technology Center 3600

Before ANTON W. FETTING, JOSEPH A. FISCHETTI, and
CYNTHIA L. MURPHY, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

John McDonough and Steve Elterich (Appellants) seek review under
35 U.S.C. § 134 of a non-final rejection of claims 43–47, 49–57, and 59–62,

¹ Our decision will make reference to the Appellants’ Appeal Brief (“App. Br.,” filed November 12, 2014) and Reply Brief (“Reply Br.,” filed July 2, 2015), and the Examiner’s Answer (“Ans.,” mailed May 5, 2015), and Non-Final Action (“Non-Final Act.,” mailed July 16, 2014).

the only claims pending in the application on appeal.² We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

The Appellants invented a form of automated financial management of a person's resources. Specification 1:7.

An understanding of the invention can be derived from a reading of exemplary claim 43, which is reproduced below (bracketed matter and some paragraphing added).

43. A computer-implemented method comprises:

[1] receiving,

by one or more computer systems that comprise a
computer processor and memory,

information indicative of credit and debit transactions
that occur in one or more financial accounts of a user;

[2] analyzing

by the one or more computer systems,
the information indicative of transactions
for automatically netting the debit and credit transactions
to determine a remaining amount of financial
resources after netting of the transactions;

[3] receiving

by the one or more computer systems
information indicative of a recommended amount of
financial resources to meet a savings goal of the user;

[4] determining

² Claims 48, 58, and 63 were cancelled in an amendment filed November 12, 2014. The Examiner entered the amendment in an Advisory Action mailed January 7, 2015.

by the one or more computer systems
based on the information about the transactions
whether the remaining amount of financial resources in
the one or more financial accounts exceeds the
recommended amount of financial resources to meet the
savings goal,
when the determined amount of financial resources
in the one or more financial accounts exceeds the
recommended amount;

[5] sending

over the Internet by the one or more computers
one or more queries for product information provided by
one or more vendors,
with the one or more queries based at least in part on the
determined amount of financial resources in the one or
more financial accounts in excess of the recommended
amount;

[6] generating,

by the one or more computers based on received
product information,
a list including information indicative of at least one
suggested transaction that has a suggested amount that is
based on the determined amount of financial resources in
the one or more financial accounts in excess of the
recommended amount;

and

[7] transmitting to a device used by the user,

a message that comprises information indicative of the
suggested transaction.

Claims 43–47, 49–57, and 59–62 stand rejected under 35 U.S.C. § 101
as directed to non–statutory subject matter.

ISSUES

The issues of eligible subject matter turn primarily on whether the claims recite more than conceptual advice regarding results to be obtained without implementation details as to how to obtain them.

ANALYSIS

The Supreme Court

set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, [] determine whether the claims at issue are directed to one of those patent-ineligible concepts. [] If so, we then ask, “[w]hat else is there in the claims before us? [] To answer that question, [] consider the elements of each claim both individually and “as an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a patent-eligible application. [The Court] described step two of this analysis as a search for an “‘inventive concept’”—i.e., an element or combination of elements that is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.”

Alice Corp., Pty. Ltd. v CLS Bank Intl, 134 S.Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S.Ct. 1289 (2012)).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept. The Examiner finds the claims are directed to financial planning. Ans. 3.

While the Court in *Alice* made a direct finding as to what the claims were directed to, we find that this case's claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The preamble to claim 43 does not recite what the claim is directed to, but the steps in claim 43 result in generating and transmitting advice as to a transaction for execution. The Specification at 1:7 recites that the invention relates to automated financial management of a person's resources. The Specification does not offer any more specific statement as to what the invention is directed to, but instead describes the compositions of various embodiments. Thus, all this evidence shows that claim 43 is directed to generating and transmitting advice as to a transaction for execution, i.e. financial consulting. This is consistent with the Examiner's finding.

It follows from prior Supreme Court cases, and *Bilski* (*Bilski v Kappos*, 561 U.S. 593 (2010)) in particular, that the claims at issue here are directed to an abstract idea. Like the risk hedging in *Bilski*, the concept of financial consulting is a fundamental business practice long prevalent in our system of commerce. The use of financial consulting is also a building block of the financial industry. Thus, financial consulting, like hedging, is an "abstract idea" beyond the scope of §101. See *Alice Corp. Pty. Ltd.* at 2356.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the "abstract ideas" category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of risk hedging in *Bilski* and the concept of financial

consulting at issue here. Both are squarely within the realm of “abstract ideas” as the Court has used that term. *See Alice Corp. Pty. Ltd.* at 2357.

The remaining claims merely describe the parameters used for the advice and suggested media for delivering the advice. We conclude that the claims at issue are directed to a patent-ineligible concept.

The introduction of a computer into the claims does not alter the analysis at Mayo step two.

[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea “while adding the words ‘apply it’” is not enough for patent eligibility. Nor is limiting the use of an abstract idea “to a particular technological environment.” Stating an abstract idea while adding the words “apply it with a computer” simply combines those two steps, with the same deficient result. Thus, if a patent’s recitation of a computer amounts to a mere instruction to “implement[t]” an abstract idea “on . . . a computer,” that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our §101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of “additional feature[e]” that provides any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.”

Alice Corp. Pty. Ltd., 134 S.Ct. at 2358 (citations omitted).

“[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea [] on a generic computer.” *Alice Corp. Pty. Ltd.*, 134 S.Ct. at 2359. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer to receive and transmit data and make arithmetic calculations amounts to electronic data query and retrieval—one of the most basic functions of a computer. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. In short, each step does no more than require a generic computer to perform generic computer functions.

Considered as an ordered combination, the computer components of Appellants' method add nothing that is not already present when the steps are considered separately. Viewed as a whole, Appellants' method claims simply recite the concept of financial consulting as performed by a generic computer. The method claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of financial consulting using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.* at 2360.

As to the structural claims, they

are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long “warn[ed] ... against” interpreting § 101 “in ways that make patent eligibility ‘depend simply on the draftsman’s art.’”

Alice Corp. Pty. Ltd. at 2360.

We are not persuaded by Appellants' argument that fundamental economic practices do not automatically fall within the realm of a judicially recognized exception. Appellants contend such a practice must be long held to be considered abstract. Reply Br. 2–3. The issue is not what practices are an exception or how long they have been used, but whether the practices the claims are directed to are abstract concepts. *See Bilski* at 611. The attributes of being fundamental and long prevalent are facts that are weighed in making this evaluation. Financial planning and consulting are as old as commercial banking, as evidenced by the fact that making commercial loans depends on such planning and advice. They are so fundamental and long lived that the very phrase “commercial banking” immediately conjures up images of reviewing financial information. Perhaps more to the point, claim results in providing conceptual advice to perform some trade. It is such conceptual advice that *Bilski*, to which *Alice* refers, squarely pegged as abstract concepts.

We are not persuaded by Appellants' argument that the Court has stated that there is no categorical exclusion of business method patents. Reply Br. 3. We agree, but do not find this argument pertinent or persuasive. The Examiner has not rejected the claims because they are business method claims *per se*, but rather based on the two part *Alice* test. Appellants appear to contend that the Examiner is applying a test that no business method claim could pass. *Id.* This argument is undercut by the very cases Appellants' subsequently cite regarding business method claims the courts found patentable under this test.

We are not persuaded by Appellants' argument that *Alice* and *Bilski* dealt with claims that sought a monopoly for something that was essentially not novel. Reply Br. 3–4. This is an incorrect reading of these cases. As we find *supra*, both cases dealt with claims that recited little more than conceptual advice. Such advice, even if novel, would be found to be abstract concepts under their tests. Again, the Court used longevity, that is, the absence of novelty, as a factor in deciding the claims were directed to conceptual advice.

We are not persuaded by Appellants' argument that recent cases that apply the abstract idea concept are distinguishable from the present claims. Reply Br. 4–6. We agree in the sense that all cases are distinguishable from one another, and so find this argument unpersuasive.

We are not persuaded by Appellants' argument that novelty in implementation of the idea is a factor to consider at least under the second step of the *Alice* analysis. Reply Br. 6. We agree, but find the claims recite advice on what is to be produced rather than implementations as to how computers are to actually produce those results. Appellants' argument here is little more than an argument that novelty in a laundry list of results to be achieved absent any implementation details is sufficient to turn the abstract into the concrete.

We are not persuaded by Appellants' argument that *Alice* allows for "meaningful limitations" to satisfy the second prong of the test. Reply Br. 6–8. Appellants contend that claim 43 requires computers to provide a novel implementation of a combination of two rather distinct "abstract ideas." *Id.*

Again, implementation details are absent from claim 43. Appellants contend that concatenating two abstract ideas is sufficient to result in something non-abstract. Combining two abstract ideas does not make the result non-abstract. *RecogniCorp, LLC v Nintendo Co, Ltd.*, 855 F3d 1322 (Fed Cir 2017). Although the claim recites a computer, the steps do not require a computer for execution as they may be performed with paper and pencil by a human.

CONCLUSIONS OF LAW

The rejection of claims 43–47, 49–57, and 59–62 under 35 U.S.C. § 101 as directed to non–statutory subject matter is proper.

DECISION

The rejection of claims 43–47, 49–57, and 59–62 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2011).

AFFIRMED